

5259

RECEIVED
LEGISLATIVE AUDITOR
06 JUL -7 AM 11:11

CENTRAL LOUISIANA AIDS SUPPORT SERVICE, INC.

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
December 31, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-16-06

CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	1 - 2
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3 - 4
Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	5 - 6
Schedule of Findings and Questioned Costs	7 - 8
Statement of Financial Position	9
Statement of Activities	10
Statement of Functional Expenses	11 - 14
Statement of Cash Flows	15
Notes to Financial Statements	16 - 18
SUPPLEMENTARY DATA	
Schedule of Federal Financial Assistance	19
Schedule of Findings and Questioned Costs	20
Schedule of Prior Year Findings	21
Schedule of Compensation for Board Members	22

ELLIOTT & ASSOCIATES, INC.

A Professional Accounting Corporation

P. O. Box 1287

Leesville, Louisiana 71496-1287

(337) 239-2535

(337) 238-5135

Fax 239-2295

W. Micheal Elliott, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Central Louisiana Aids Support Service, Inc.
Alexandria, Louisiana:

I have audited the accompanying statement of financial position of Central Louisiana Aids Support Service, Inc. (a nonprofit organization) as of December 31, 2005, and the related statements of activities and cash flows for the year then ended. These statements are the responsibility of the Central Louisiana Aids Support Service, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Central Louisiana Aids Support Service, Inc. as of December 31, 2005, and changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 30, 2006, on my consideration of Central Louisiana Aids Support Service, Inc.'s internal control over financial reporting and my tests of its compliance with laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

My audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules, as listed in the table of contents, including the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements of Central Louisiana Aids Support Service, Inc. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Elliott & Assoc. "APAC"

Leesville, Louisiana
June 30, 2006

ELLIOTT & ASSOCIATES, INC.

A Professional Accounting Corporation

P. O. Box 1287

Leesville, Louisiana 71496-1287

(337) 239-2535
(337) 238-5135
Fax 239-2295

W. Micheal Elliott, CPA

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Central Louisiana Aids Support Service, Inc.
Alexandria, Louisiana

I have audited the financial statements of the Central Louisiana Aids Support Service, Inc. as of and for the year ended December 31, 2005, and have issued my report thereon dated June 30, 2006. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Central Louisiana Aids Support Service, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Central Louisiana Aids Support Service, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information of the Board of Directors and management of the Central Louisiana Aids Support Service, Inc., the Legislative Auditor's office of the State of Louisiana, and federal and state awarding agencies. This report is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by Legislative Auditor as a public document.

Elliott & Assoc. "APAC"

Leesville, Louisiana
June 30, 2006

ELLIOTT & ASSOCIATES, INC.

A Professional Accounting Corporation

P. O. Box 1287

Leesville, Louisiana 71496-1287

(337) 239-2535
(337) 238-5135
Fax 239-2295

W. Micheal Elliott, CPA

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Central Louisiana Aids Support Service, Inc.
Alexandria, Louisiana:

Compliance

I have audited the compliance of the Central Louisiana Aids Support Service, Inc. with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2005. The Central Louisiana Aids Support Service, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Central Louisiana Aids Support Service, Inc.'s management. My responsibility is to express an opinion on the Central Louisiana Aids Support Service, Inc.'s compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Central Louisiana Aids Support Service, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Central Louisiana Aids Support Service, Inc.'s compliance with those requirements.

In my opinion, the Central Louisiana Aids Support Service, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs of the year ended December 31, 2005.

Internal Control Over Compliance

The management of the Central Louisiana Aids Support Service, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the Central Louisiana Aids Support Service, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A -133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended solely for the information of the Board of Directors and management of the Central Louisiana Aids Support Service, Inc., the Legislative Auditor's office of the State of Louisiana, and federal and state awarding agencies. This report is not intended to be, and should not be, used by anyone other than these specified parties.

Elliott & Assoc. "ARAC"

Leesville, Louisiana
June 30, 2006

Central Louisiana Aids Support Service, Inc.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Fiscal Year Ended December 31, 2005

I have audited the financial statements of the Central Louisiana Aids Support Service, Inc. as of and for the year ended December 31, 2005, and have issued my report thereon dated June 30, 2006. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2005 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance
Material to the Financial Statements

Internal Control

Material Weaknesses () Yes (X) No
Reportable Conditions () Yes (X) No

Compliance

Compliance Material to Financial
Statements () Yes (X) No

b. Federal Awards

Internal Control

Material Weaknesses () Yes (X) No () N/A
Reportable Conditions () Yes (X) No () N/A

Type of Opinion On Compliance For Major Programs

Unqualified (X) Qualified ()
Disclaimer () Adverse ()
N/A ()

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?

() Yes (X) No () N/A

c. Identification of Major Programs

CFDA Number(s)

Name of Federal Program

93.917

DHHR HIV Care Formula Grants

Dollar threshold used to distinguish between Type A and Type B Programs:

\$500,000

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133?

(X) Yes () No () N/A

Section II Financial Statement Findings

N/A

Section III Federal Award Findings and Questioned Costs

N/A

See independent auditor's report.

Central Louisiana Aids Support Service, Inc.
STATEMENT OF FINANCIAL POSITION

December 31, 2005

ASSETS

Current Assets

Cash and cash equivalents (Note 2)	\$127,177
Grants receivable (Note 3)	123,192
Prepaid expenses	<u>2,231</u>

Total Current Assets	<u>\$ 252,600</u>
----------------------	-------------------

FURNITURE AND EQUIPMENT- NET OF DEPRECIATION (Note 4)	<u>6,033</u>
---	--------------

OTHER ASSETS

Burial plots with monuments	1,240
Deposits	<u>1,496</u>

Total other assets	<u>2,736</u>
--------------------	--------------

<u>TOTAL ASSETS</u>	<u>\$ 261,369</u>
---------------------	-------------------

CURRENT LIABILITIES

Accounts payable	\$ 6,212
Payroll taxes and other employee withholdings	302
Funds held on behalf of others	300
Deferred revenue	<u>13,495</u>

Total current liabilities	<u>\$ 20,309</u>
---------------------------	------------------

Net Assets	<u>241,060</u>
------------	----------------

Unrestricted	<u>241,060</u>
--------------	----------------

The accompanying notes are an integral part of this statement.

Central Louisiana Aids Support Service, Inc.
STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2005

REVENUES, GAINS, AND OTHER SUPPORT	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
Federal grants	\$ ---	\$ 619,218	\$619,218
State grants	---	---	---
Private grants	---	---	---
Interest	980	---	980
Contributions	---	---	---
Noncash contributions	17,119	---	17,119
Fund-raising	3,734	---	3,734
Net assets released from restrictions	<u>619,218</u>	<u>(619,218)</u>	<u>---</u>
Total Unrestricted Revenues	\$ <u>641,051</u>	<u>---</u>	<u>\$641,051</u>
EXPENSES			
Federal grants:			
HIV Care Formula Grants	\$ 297,203	---	\$ 297,204
HIV Prevention Activities	97,728	---	97,728
Housing Opportunities for Persons with AIDS	89,832	---	89,832
Copayment and Deductible Assistance Program	---	---	---
RW Title III E.I.S.	74,658	---	74,658
RW Title V - Dental	33,058	---	33,058
Broadway Cares	17,119	---	17,119
Family Planning	5,698	---	5,698
National Aids Fund	8,794	---	8,794
State grants:			
General and Administrative	16,459	---	16,459
Phillip Morris - Food Pantry	100	---	100
CCAF	194	---	194
Fund-raising	<u>1,124</u>	<u>---</u>	<u>1,124</u>
Total Expenses	<u>641,967</u>	<u>---</u>	<u>641,967</u>
CHANGE IN NET ASSETS	(916)	---	(916)
NET ASSETS, BEGINNING OF YEAR	<u>241,976</u>	<u>---</u>	<u>241,976</u>
<u>NET ASSETS, END OF YEAR</u>	<u>\$241,060</u>	<u>\$ ---</u>	<u>\$ 241,060</u>

The accompanying notes are an integral part of this statement.

Central Louisiana Aids Support Service, Inc.
 STATEMENT OF FUNCTIONAL EXPENSES
 For the Year Ended December 31, 2005

	HIV Prevention <u>Activities</u>	<u>H.O.P.W.A</u>
Advertising and promotion	\$	\$
Bank charges		
CAC		
Child care		
Client events		
Consortia support		
Dental		
Depreciation		
Direct assistance - rents/housing/utilities/ deposits		
Dues and subscriptions		
Emergency assistance		
New operational expenses		
Food		
Fringe Benefits	12,663	557
Insurance	1,753	
Intraregional mileage	6,369	
Janitorial	945	
Kentwood water	126	
Legal and other professional	3,181	
Medication		
Meeting expense		
Memberships		
Miscellaneous		
Mortgage payment		3,056
Office and other supplies	5,862	
Payroll tax and other employee expenses		
Pest control/lawn	312	
Postage	862	
Printing		
Private fund distribution		
Rent expense	7,800	36,898
Repairs and maintenance	103	
Salaries, wages and contract labor	50,183	3,272
Security	108	
Telephone/answering service/pagers	3,006	
Transportation assistance		
Travel	178	
Utilities/water	4,277	46,049
Workshops/conference		
<u>TOTALS</u>	<u>\$97,728</u>	<u>\$89,832</u>

The accompanying notes are an integral part of this statement.

Central Louisiana Aids Support Service, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2005

	<u>Ryan White</u> Title V <u>Dental</u>	<u>General</u> and <u>Administrative</u>	<u>Fund</u> <u>Raisers</u>	<u>National</u> <u>Aids Fund</u>
	\$	\$	\$	\$
Advertising and promotion				
Bank charges				
Board Development		89		
CAC				
Child care				
Client events				
Clothing				2,801
Consortia support				
Dental	9,540			
Depreciation				
Direct assistance - rents/housing/utilities/ deposits				
Dues and subscriptions				
Education	50			
Emergency assistance				875
New operational expenses				
Fringe Benefits	2,016	1,784		198
Food		41		500
Insurance				
Intraregional mileage	121			
Janitorial				
Legal and other professional				
License		600		
Medication				410
Meeting expense				
Memberships		363		
Miscellaneous	491	1,976	1,124	1,125
Office and other supplies	318			
Payroll tax and other employee expenses				
Pest control/lawn				
Postage	16			
Printing				
Private fund distribution				285
Rent expense	325	716		
Repairs and maintenance				
Salaries, wages and contract labor	13,998	9,642		2,600
Security				
Telephone/answering service/pagers	4,540	945		
Transportation assistance	1,643			
Travel		303		
Utilities/water				
Workshops/conference				
<u>TOTALS</u>	<u>\$ 33,058</u>	<u>\$ 16,459</u>	<u>\$ 1,124</u>	<u>\$8,794</u>

The accompanying notes are an integral part of this statement.

Central Louisiana Aids Support Service, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2005

	Ryan White Title III HRSA			
	Planning	Broadway	Philip	Ryan
	<u>Grant</u>	<u>Cares</u>	<u>Morris</u>	<u>White</u>
Advertising and promotion \$		\$	\$	\$
Bank charges				244
CAC				3,217
Child care				
Client events				
Consortia support				128
Dental				37
Depreciation				3,115
Direct assistance - rents/housing/utilities/ deposits				
Dues and subscriptions				
Education	595			448
Emergency assistance				
New operational expenses				
Food			100	25,927
Fringe Benefits	11,892			39,697
Insurance				2,155
Intraregional mileage	495			2,494
Janitorial				787
Kentwood water				325
Legal and other professional				8,519
Medication		14		49,904
Meeting expense				
Memberships				
Miscellaneous		10,400		1,289
Office and other supplies	371	1,456		4,184
Payroll tax and other employee expenses				
Pest control/lawn				544
Postage				1,109
Printing				
Private fund distribution		5,047		
Rent expense				7,475
Repairs and maintenance				82
Salaries, wages and contract labor	45,217			115,768
Security				227
Telephone/answering service/pagers				485
Testing	2,745			
Transportation assistance	8,743			24,367
Travel	4,600			400
Utilities/water		202		4,276
Workshops/conference	_____	_____	_____	_____
<u>TOTALS</u>	<u>\$74,658</u>	<u>\$17,119</u>	<u>\$ 100</u>	<u>\$297,203</u>

The accompanying notes are an integral part of this statement.

Central Louisiana Aids Support Service, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2005

	<u>CCAF</u>	Family <u>Planning</u>		<u>Total</u>
Advertising and promotion \$		\$	\$	
Bank charges				244
Board development				89
CAC				3,217
Child care				
Client events				
Clothing	12			2,813
Consortia support				128
Dental				9,577
Depreciation				3,115
Direct assistance - rents/housing/utilities/ deposits				
Dues and subscriptions				
Education				1,094
Emergency assistance				875
New operational expenses				
Food	182			26,748
Fringe benefits		341		69,148
Insurance				3,908
Intraregional mileage		308		9,786
Janitorial				1,732
Kentwood water				451
Legal and other professional				11,700
License				600
Medication				50,328
Meeting expense				
Memberships				363
Miscellaneous		15		16,421
Mortgage Payment				3,056
Office and other supplies		681		12,872
Payroll tax and other employee expenses				
Pest control/lawn				856
Postage				1,987
Printing				
Private Fund distribution				5,331
Rent expense				53,214
Repairs and maintenance				186
Salaries, wages and contract labor		4,334		245,014
Security				335
Telephone/answering service/pagers		19		8,996
Testing				2,745
Transportation assistance				34,752
Travel				5,482
Utilities/water				54,804
Workshops/conference				
<u>TOTALS</u>	<u>\$ 194</u>	<u>\$ 5,698</u>		<u>\$641,967</u>

The accompanying notes are an integral part of this statement.

Central Louisiana Aids Support Service, Inc.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2005

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from governmental agencies	659,815
Cash payments to suppliers for goods and service	(399,736)
Cash payments to employees for services	<u>(253,021)</u>
Net CASH PROVIDED BY OPERATING ACTIVITIES	<u>(7,058)</u>
CASH FLOWS FROM NON CAPITAL FINANCING	<u>-----</u>
CASH FLOWS FROM CAPITAL FINANCING	
Maturity of investments	
Acquisition of PP & E	<u>(761)</u>
NET CASH PROVIDED FROM CAPITAL FINANCING	<u>(761)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	980
INCREASE IN CASH AND CASH EQUIVALENTS	(6,839)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>134,016</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$127,177</u></u>
 CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	<u>(1,896)</u>
Adjustment to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	3,116
Changes in operating assets and liabilities:	
Accounts receivable	(12,260)
Other current assets	---
Accounts payable	(24)
Other Current liabilities	215
Due to others	<u>3,793</u>
	<u>(7,056)</u>

ADDITIONAL REQUIRED DISCLOSURES:

1. Management considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents.
2. No interest was paid for the year ended December 31, 2005.
3. No income taxes were paid for the year ended December 31, 2005.
4. There were no material noncash investing or financing activities during 2005 that affected recognized assets or liabilities.

The accompanying notes are an integral part of this statement.

Central Louisiana Aids Support Service, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

Note 1 - Summary of Significant Accounting Policies

Nature of Activities

Central Louisiana Aids Support Service, Inc. (CLASS) is a nonprofit corporation formed to provide support services and education to promote and encourage the development, advancement, and exchange of information in all aspects of prevention, research, diagnosis, and treatment of HIV/AIDS.

CLASS qualifies as a tax-exempt organization under Section 501 (c) (3) of the Internal Revenue Code and comparable Louisiana law, and contributions to it are tax deductible within the limitations prescribed by the Code. Accordingly, no provision for income tax has been made in the accompanying financial statements. In addition, the organization has been determined not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

Significant Accounting Policies

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of *Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. There were no temporarily or permanently restricted net assets at December 31, 2005.

Furniture and Equipment

Furniture and equipment are stated at cost for assets purchased and at market value for assets acquired by gift. Depreciation is computed on the straight line method over the estimated useful lives of the assets generally as follows:

Furniture and equipment	5-7 years
-------------------------	-----------

Central Louisiana Aids Support Service, Inc.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents consisted of the following at December 31, 2005:

Interest bearing checking accounts	\$ 110,560
Non-interest bearing checking accounts	2,312
Money market funds	<u>14,305</u>
	<u>\$ 127,177</u>

Note 3 - Grants Receivable

Grants receivable consisted of amounts due from state agencies and various federal agencies passed through the State of Louisiana, Department of Health and Hospitals.

Note 4 - Furniture

The following is a summary of furniture and equipment:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Furniture & Office equipment	<u>\$ 62,888</u>	<u>\$ 56,855</u>	<u>\$ 6,033</u>

The depreciation provision for the year ended December 31, 2004, amounted to \$3,115 .

Note 5 - Leases

The organization entered into a new lease for building space in Alexandria, Louisiana, from an unrelated third party, under an operating lease expiring 5/31/11. Under this lease, CLASS will make rental payments amounting to \$24,900 for the year ended December 31, 2005 and the payments were comprised solely of minimum rentals.

Minimum future rental payments under the lease for the year ending after December 31, 2005 as follows:

2006	24,900
2007	24,900
2008	24,900
2009	24,900
2010	<u>24,900</u>
Totals	<u>124,500</u>

Central Louisiana Aids Support Service, Inc.

NOTES TO FINANCIAL STATEMENTS (CONCLUDED)

Note 6 - Concentrations of Revenue and Significant Funding Source

CLASS receives the majority of its revenue from funds provided by the federal government and administered by the Louisiana Department of Health and Hospitals, Office of Public Health. The amount of funds received is appropriated each year by the government. If significant budget cuts are made, the amount of the funds that CLASS receives could be reduced significantly, resulting in an adverse impact on its operations. Management is not aware of any actions that would adversely affect the amount of funds the Organization will receive in the next year.

Note 7 - Net Assets Released From Restrictions

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the grants. There were no temporarily or permanently restricted net assets at December 31, 2005.

Central Louisiana Aids Support Service, Inc.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2005

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ <u>PROGRAM TITLE</u>	Federal CFDA <u>Number</u>	<u>Expended</u>
Department of Health and Human Resources Passed-through the State of Louisiana Department of Health and Hospitals Office of Public Health HIV Care Formula Grants (Ryan White) 4/1/03-3/3/04 4/1/04-3/3/05	93.917	297,204
HIV Prevention Activities-Health Department Based (HAP) 1/1/05-12/31/05	93.940	97,728
Ryan White Title III EIS		74,658
Ryan White Title V		<u>33,058</u>
Total Expenditures-Department of Health and Human Resources		<u>502,648</u>
Department of Housing and Urban Development Passed-through the State of Louisiana Department of Health and Hospitals Office of Public Health Housing Opportunities for Persons with AIDS 4/1/03- 3/3/04 4/1/04- 3/3/05	14.241	89,831
		\$ <u>89,831</u>
Total Expenditures- Department of Housing and Urban Development		
<u>TOTAL EXPENDITURES OF FEDERAL AWARDS</u>		<u>\$ 592,479</u>

Notes:

Expenditures for the above grants are reported on the accrual basis of accounting. Note 1 to the financial statements provides additional information relative to the Organization's accounting policies.

No federal funds were awarded to sub recipients during the year ended December 31, 2005.

See independent auditor's report.

Schedule 2

Schedule 2Central Louisiana Aids Support Service, Inc.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Fiscal Year Ended December 31, 2005

PART 1- SUMMARY OF AUDITOR'S RESULTSFinancial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? yes no

Reportable conditions identified
that are not considered to be
material weaknesses? yes None
reported

Noncompliance material to financial
statements noted? yes no

Prior year audit findings Attached

Management's Corrective Action Plan Attached

Memorandum of Other Comments
and Recommendations None

Federal Awards

Internal control over major program:

Material weakness(es) identified? Yes No

Reportable conditions identified
not considered to be material
weaknesses?
reported Yes None

Type of auditor's report issued on compliance
for major program: Unqualified

Any audit findings disclosed that are required
to be reported in accordance with Circular
A-133, Section 510 (a)? Yes No

Central Louisiana Aids Support Service, Inc.
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

For the Fiscal Year Ended December 31, 2005

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENTS**

There were no prior year findings relating to internal control and compliance material to the financial statements.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FED-
ERAL AWARDS**

There were no prior year findings relating to internal control and compliance material to federal awards.

SECTION III MANAGEMENT LETTER

There was no management letter with prior year audit report.

See independent auditor's report.

Central Louisiana Aids Support Service, Inc.
COMPENSATION FOR BOARD MEMBERS

For the Year Ended December 31, 2005

During the year ended December 31, 2005, no per diem payments or other compensation payments were made to board members.